

August 20, 2002

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 1 TO LEASE NO. 71725  
DEPARTMENT OF PUBLIC SOCIAL SERVICES  
2200 HUMBOLDT STREET, LOS ANGELES  
(FIRST) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Instruct the Chairman to execute the attached Amendment No. 1 to Lease No. 71725 with Edward G. Vierheilig and Jean A. Vierheilig (Lessors) for a five-year split-service lease extension for office and training room space and 54 parking spaces for the Department of Public Social Services' (DPSS) General Relief Opportunities for Work (GROW) Program at an initial annual base rental cost of \$96,000, which is 91 percent funded by State and Federal subvention.
2. Find that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board and Section 15062 (b) (3) of the State CEQA Guidelines.
3. Approve the project and authorize the Chief Administrative Office (CAO) and DPSS to implement the project. The lease amendment will be effective upon adoption by the Board of Supervisors.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The recommended action will allow DPSS to continue occupancy at this facility which has been in operation since 1970, most recently for its GROW program as part of the Welfare-to-Work initiative, for up to five years commencing upon Board approval.

- The facility provides the needed classroom and administrative space for GROW Orientation, Job Skills Preparation Classes (JSPC) and Fastrack Program, enabling DPSS to continue teaching basic employment skills under this program. The GROW program is a direct service program offering assistance to General Relief participants in finding employment through classes in job preparation, interviewing techniques, application processing and grooming. Additionally, case managers interview participants at their respective workstations. On average, approximately 930 GROW participants are assisted at the facility on a monthly basis.
- The facility also serves as off-site temporary, mandatory archival file retention space for personnel and caseload record storage.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Countywide Strategic Plan directs that we invest in public infrastructure in order to strengthen the County's fiscal capacity. The lease of property supports this strategy by complying with the Strategic Asset Management Principles (Goal 4, Strategy 2, Objective 2). In this case, we are maximizing subvention by housing the program in leased space as further outlined in Attachment A.

### **FISCAL IMPACT/FINANCING**

The estimated annual cost is \$254,000 which includes \$96,000 in base rent payable to the landlord, plus about \$158,000 in taxes, maintenance and utilities, which the County will pay separately. There are no tenant improvement or other costs provided in the amendment or the underlying lease.

<b>2200 Humboldt St., Los Angeles</b>	<b>Existing Lease</b>	<b>Proposed Lease as amended</b>	<b>Change</b>
Area	23,655 rentable sq. ft.	23,655 rentable sq. ft.	None
Term	2 years; 8/18/00-8/17/02	5 years upon adoption	Additional 5 years
Annual Base Rent	\$96,000 (\$4.06/sq. ft.)	\$96,000 (\$4.06/sq. ft.)	None
Option to Renew	None	None	None
Cancellation	Anytime after 12 months upon 60 days notice	Anytime after 24 months upon 60 days notice	(-12 months)
Parking (Included in Base Rent)	54 exclusive spaces	54 exclusive spaces	None
Rental Adjustment	None	\$.24 per sq. ft. per year at the 30 <sup>th</sup> month	Increase of \$.02 per sq. ft. at the 30 <sup>th</sup> month

Sufficient appropriation for the proposed lease amendment is included in the 2002-03 Rent Expense Budget and will be charged back to DPSS. Sufficient appropriation has also been included in the DPSS Operating Budget to cover the projected lease costs.

Because all DPSS space, including space for the General Relief and GROW programs, is considered spreadable overhead, the cost associated with the proposed amendment will be approximately 91 percent funded by State and Federal subvention.

The monthly base rent is to remain fixed for the first 30 months of the lease amendment. A one-time base rent increase of \$.24 per square foot on an annual basis will become effective on that date and remain constant for the remainder of the five-year term.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

DPSS has been at this location since 1970 and the facility underwent over \$50,000 of deferred maintenance upgrades in the year 2000, approximately half of which was paid by the County. The proposed five-year lease amendment provides 23,655 square feet of office and training areas for GROW participants, as well as necessary storage capacity, and 54 parking spaces. In addition, the lease amendment contains the following provisions:

- The term commences upon Board approval and ends five years thereafter.
- There are no Tenant Improvements associated with the lease.
- Lessor is responsible for maintenance of the basic structure.
- The Lease is split service with the County responsible for taxes, interior maintenance and utilities expense estimated to be \$158,000 annually.
- County has the right to cancel anytime after the 24th month upon 60 days prior written notice.
- All other terms and conditions of the lease shall remain in full force and effect.

CAO Real Estate staff surveyed the East Los Angeles area in proximity to the Metro East District office as specified by DPSS to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Attachment B shows all County-owned and leased facilities within the search area for this program. There are no County-owned or leased facilities available within a closer proximity to the Metro East District office.

Based upon a survey of similar properties in the specified area, staff has determined that the base rental range, including parking, is between \$16.20 and \$19.80 per rentable square foot on a full-service basis. Thus, the base annual rental rate of \$4.06 per square foot, plus estimated expenses of \$6.68 per square foot for the proposed lease amendment is below the range of market rates.

The Department of Public Works has considered the facility and found it suitable for continued occupancy.

The proposed premises is too small to accommodate a child care center.

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### **NEGATIVE DECLARATION / ENVIRONMENTAL IMPACT REPORT**

This department has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15061 (b)(3) of the State CEQA Guidelines.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

It is the finding of the CAO that the proposed amendment is in the best interest of the County and will adequately provide the necessary space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, DPSS concurs with this recommendation.

### **CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed amendment and the adopted, stamped Board letter, and two certified copies of the Minute Order to the Chief Administrative Office, Real Estate Division at 222 South Hill Street, 4th floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:SNY  
CWW:NH:hd

Attachments (5)

c: County Counsel  
Auditor-Controller  
Department of Public Social Services

**Department of Public Social Services  
2200 Humboldt Street, Los Angeles  
Asset Management Principles Compliance Form<sup>1</sup>**

<b>1.</b>	<b><u>Occupancy</u></b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
	A	Does lease consolidate administrative functions? <sup>2</sup>			<u>X</u>
	B	Does lease co-locate with other functions to better serve clients? <sup>2</sup> <b>Existing facility.</b>		<u>X</u>	
	C	Does this lease centralize business support functions? <sup>2</sup>			<u>X</u>
	D	Does this lease meeting the guideline of 200 sf of space per person? <sup>2</sup> <b>Ratio 1/576. Facility used for classroom training and limited case storage function.</b>		<u>X</u>	
<b>2.</b>	<b><u>Capital</u></b>				
	A	Should program be in leased space to maximize State/Federal funding?	<u>X</u>		
	B	If not, is this a long term County program?			<u>X</u>
	C	Is it a net County cost (NCC) program? <b>9.00%</b>		<u>X</u>	
	D	If yes to 2 B or C; capital lease or operating lease with an option?			<u>X</u>
	E	If no, are there any suitable County-owned facilities available?		<u>X</u>	
	F	If yes, why is lease being recommended over occupancy in County-owned space?			<u>X</u>
	G	Is Building Description Report attached as Attachment B?	<u>X</u>		
	H	Was build-to-suit or capital project considered? <b>No. Classroom/training facility servicing Metro East District and Glendale offices could be considered for relocation after 24<sup>th</sup> month.</b>		<u>X</u>	
<b>3.</b>	<b><u>Portfolio Management</u></b>				
	A	Did department utilize CAO Space Request Evaluation (SRE)?	<u>X</u>		
	B	Was the space need justified?	<u>X</u>		
	C	If a renewal lease, was co-location with other County departments considered?		<u>X</u>	
	D	Why was this program not co-located?			
		1. ___ The program clientele requires a "stand alone" facility.			
		2. <u>X</u> No suitable County occupied properties in project area.			
		3. <u>X</u> No County-owned facilities available for the project.			
		4. ___ Could not get City clearance or approval.			
		5. ___ The Program is being co-located.			
	E	Is lease a full service lease? <sup>2</sup> <b>Leasehold provides favorable economic incentive to continue operations at existing facility under present split-service terms and conditions.</b>		<u>X</u>	
	F	Has growth projection been considered in space request? <b>The space is adaptable to multiples uses (e.g., multiple classrooms, administrative, storage, etc.) as needed.</b>	<u>X</u>		
	G	Has the Dept. of Public Works completed seismic review/approval?	<u>X</u>		
		<sup>1</sup> As approved by the Board of Supervisors 11/17/98			
	<sup>2</sup> If not, why not?				

**Department of Public Social Services  
Employment Training Center Program  
2200 Humboldt Street, Los Angeles**

Space search: 3 mile radius of 2855 E. Olympic Blvd., Los Angeles

LACO	FACILITY NAME	ADDRESS	SQ. FT. GROSS	SQ. FT. NET		SQ. FT. AVAIL.
0155	COUNTY COURTHOUSE	111 N HILL ST, LOS ANGELES 90012	794,459	441,761	FINANCED	NONE
0156	HALL OF RECORDS	320 W TEMPLE ST, LOS ANGELES 90012	438,095	259,523	OWNED	NONE
0181	KENNETH HAHN HALL OF ADMINISTRATION	500 W TEMPLE ST, LOS ANGELES 90012-2713	958,090	581,818	FINANCED	NONE
3100	EASTLAKE JUVENILE COURTHOUSE-1	1601 EASTLAKE AVE, LOS ANGELES 90033	47,379	26,024	OWNED	NONE
3102	JUVENILE HALL-ADMINISTRATION BUILDING-4	1605 EASTLAKE AVE, LOS ANGELES 90033	75,907	33,945	OWNED	NONE
3154	CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTR	210 W TEMPLE ST, LOS ANGELES 90012	1,036,283	399,535	FINANCED	NONE
3155	THE MUSIC CENTER-DE LISA BUILDING/ THE ANNEX	301 N GRAND AVE, LOS ANGELES 90012	27,582	17,978	OWNED	NONE
3241	EAST LOS ANGELES COURTHOUSE	214 S FETTERLY AVE, EAST LOS ANGELES 90022	126,972	63,347	FINANCED	NONE
3542	FIRE-ADMINISTRATIVE HEADQUARTERS BUILDING	1320 N EASTERN AVE, LOS ANGELES 90063	39,015	24,288	FINANCED	NONE
3709	HUNTINGTON PARK COURTHOUSE	6548 MILES AVE, HUNTINGTON PARK 90255	29,295	16,325	LEASED	NONE
4364	PROBATION-EAST LOS ANGELES AREA OFFICE	144 S FETTERLY AVE, EAST LOS ANGELES 90022	15,584	11,327	OWNED	NONE
4465	DF KIRBY CENTER-ADMINISTRATION BUILDING	1500 S MCDONNELL AVE, COMMERCE 90022	18,169	10,117	OWNED	NONE
4526	BISCAILUZ-ADMINISTRATION BUILDING	1060 N EASTERN AVE, LOS ANGELES 90063	16,571	11,428	OWNED	NONE
4799	PW CENTRAL YARD-DIVISION ADMINISTRATION	1525 ALCARAZ ST, LOS ANGELES 90033	10,438	7,224	OWNED	NONE
4946	MED CTR-INTERNS & RESIDENTS BUILDING	2020 ZONAL AVE, LOS ANGELES 90033	142,448	79,494	OWNED	NONE
5260	CORONER-ADMINISTRATION / INVESTIGATIONS BLDG	1102 N MISSION RD, LOS ANGELES 90033	22,479	14,251	OWNED	NONE
5266	METROPOLITAN COURTHOUSE	1945 S HILL ST, LOS ANGELES 90007	303,434	125,469	FINANCED	NONE
5274	AVALON-CARVER SERVICE CENTER	4920 S AVALON BLVD , LOS ANGELES 90011	26,822	16,647	OWNED	NONE
5412	PUBLIC LIBRARY-EAST LOS ANGELES LIBRARY	4801 E 3RD ST, EAST LOS ANGELES 90022	14,848	11,740	OWNED	NONE
5456	HEALTH SERVICES ADMINISTRATION BUILDING	313 N FIGUEROA ST, LOS ANGELES 90012	221,359	134,851	OWNED	NONE
5466	PUBLIC LIBRARY-HUNTINGTON PARK LIBRARY	6518 MILES AVE, HUNTINGTON PARK 90255	33,482	24,243	OWNED	NONE
5863	ISD-ADMINISTRATIVE HEADQUARTERS	1100 N EASTERN AVE, LOS ANGELES 90063	80,309	58,826	FINANCED	NONE
5870	ISD-EASTERN AVE COMPLEX TELECOM BRANCH BLDG	1110 N EASTERN AVE, LOS ANGELES 90063	37,742	28,973	FINANCED	NONE
5979	CENTRAL ARRAIGNMENT COURTHOUSE	429 BAUCHET ST, LOS ANGELES 90012	83,692	30,638	FINANCED	NONE
6131	DCSS-EAST LOS ANGELES SERVICE CENTER	133 N SUNOL DR, EAST LOS ANGELES 90063	28,514	21,777	OWNED	NONE
6578	DPSS-METRO EAST AP DISTRICT OFFICE	2855 E OLYMPIC BLVD, LOS ANGELES 90023	63,066	29,220	OWNED	NONE
A133	CHILD SUPPORT SERVICES-ADMINISTRATIVE HDQTERS	5770 S EASTERN AVE, CITY OF COMMERCE 90040-2924	80,000	60,052	LEASED	NONE
A157	DC&FS-REGION III HEADQTRS/ BELVEDERE SERVICES	5835 S EASTERN AVE, CITY OF COMMERCE 90040	38,814	36,873	LEASED	NONE
A159	DISTRICT ATTORNEY-FIGUEROA PLAZA	201 N FIGUEROA ST, LOS ANGELES 90012	83,164	79,006	LEASED	NONE
A188	SHERIFF-INTERNAL AFFAIRS BUREAU/RISK MANAGEMT	4900 S EASTERN AVE, CITY OF COMMERCE 90040	27,990	23,792	LEASED	NONE
A332	CHILD SUPPORT SERVICES-COMPUTER SYSTEMS DIV	5500 S EASTERN AVE, CITY OF COMMERCE 90040	42,250	40,138	LEASED	NONE
A423	SHERIFF-PERSONNEL AND RECRUITMENT CENTER	101 CENTRE PLAZA DR, MONTEREY PARK 91754	37,590	33,831	LEASED	NONE
A429	CAO-REAL ESTATE DIVISION/ SERVICE INTEGRATION	222 S HILL ST (KAWADA BUILDING), LOS ANGELES 90012	30,452	27,703	LEASED	NONE
A570	CHILD SUPPORT SERVICES-INTERSTATE DIVISION	5701 S EASTERN AVE, CITY OF COMMERCE 90040	55,530	49,977	LEASED	NONE
A580	FIRE-ADMINISTRATIVE HEADQUARTERS OFFICE ANNEX	5801 S EASTERN AVE, CITY OF COMMERCE 90040	20,724	18,652	LEASED	NONE
B460	DPSS-GAIN PROGRAM REGION VI OFFICE	5460 BANDINI BLVD, BELL 90201	31,400	21,815	LEASED	NONE
C110	MED CTR-EXPENDITURE MANAGEMENT	2064 MARENGO ST, LOS ANGELES 90033	9,602	7,010	LEASED	NONE
C740	DPSS-FLORENCE AP DISTRICT OFFICE	1740 E GAGE AVE, LOS ANGELES 90001	60,000	28,601	OWNED	NONE
C741	DPSS-FOOD STAMPS/ FISCAL SERVICES OFFICE	6367 S HOLMES AVE, LOS ANGELES 90001	5,220	3,872	OWNED	NONE
C863	MED CTR-PATIENT FINANCIAL SERVICES OFFICE	1910 N MAIN ST, LOS ANGELES 90031	13,610	8,919	LEASED	NONE
T061	ISD-EASTERN COMPLEX PROJECT MANAGEMENT TRAILR	1100 N EASTERN AVE, LOS ANGELES 90063	7,200	6,840	LEASED	NONE
T542	MED CTR-PATIENT FINANCIAL SERVICES T-5	1200 N STATE ST, LOS ANGELES 90033	10,512	7,872	OWNED	NONE
X015	LOS ANGELES COUNTY LAW LIBRARY	301 W 1ST ST, LOS ANGELES 90012	215,960	126,000	OWNED	NONE
X167	SHERMAN BLOCK SHERIFF'S HEADQUARTERS BUILDING	4700 W RAMONA BLVD, MONTEREY PARK 91754	125,000	106,250	FINANCED	NONE
X201	EDMUND D EDELMAN CHILDREN'S COURT	201 CENTRE PLAZA DR, MONTEREY PARK 91754	275,530	181,958	FINANCED	NONE
Y013	DPSS-CIVIC CENTER DISTRICT/GROW CENTER OFFICE	813 E 4TH PL, LOS ANGELES 90013	39,956	25,158	OWNED	NONE
Y307	PUBLIC LIBRARY-CITY TERRACE LIBRARY	4025 E CITY TERRACE DR, EAST LOS ANGELES 90063	8,007	6,984	OWNED	NONE
Z367	HSG-ASSISTED HOUSING DIVISION OFFICES	4800 E CESAR CHAVEZ AVE, EAST LOS ANGELES 90022	20,000	18,000	LEASED	NONE